



June 23, 2014

Ms. Kate Whitney
Administrator
Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601

Dear Ms. Whitney:

Re: Tariff Letter No. 265-E

This letter is pursuant to Montana Public Service Commission (Commission):

- Approval on June 13, 2014 by Notice of Staff Action with regard to NorthWestern Energy's (NorthWestern) annual filing for the Competitive Transition Charge for Qualifying Facilities (CTC-QF), pursuant to settlements in Docket No. D97.7.90 and D2001.1.5, approved in Order No. 5986w on January 31, 2002; and
- Interim approval on June 17, 2014 Interim Order No. 7283a with regard to NorthWestern's application for Approval for the Electricity Supply Costs, Colstrip Unit 4 (CU4) Fixed Costs, CU4 Variable Cost/Credits, Dave Gates Generating Station (DGGs) Fixed Costs, DGGs Variable Cost/Credits, Spion Kop Fixed Costs, Spion Kop Variable Cost/Credits, and the Total Electricity Supply Rates; and Electricity Supply Deferred Supply Rate.

Enclosed for filing are three copies of the revised Electric Rate schedules reflecting these approvals.

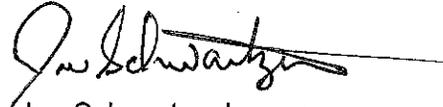
These rates will become effective for service on and after July 1, 2014. Below are the Electric tariff sheets being filed for MPSC approval.

<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
199 th Revised 1.1	Table of Contents	198 th Revised 1.1
147 th Revised 1.2	Table of Contents	146 th Revised 1.2
127 th Revised 60.1	Electric Supply Service	126 th Revised 60.1
12 th Revised 61.1	Competitive Transition Charge For Qualifying Facilities	11 th Revised 61.1

The sheets that are three-hole punched are for retention in the Commission's files; and the other, unpunched sheets should be returned to NorthWestern after they have been certified and signed. Because NorthWestern's copies are used for publication and distribution purposes please do not stamp or mark the face of these copies, other than with the Commission Seal and signature.

If there are any questions, please call me at (406) 497-3362.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Schwartzenberger", with a long horizontal line extending to the right from the end of the signature.

Joe Schwartzenberger
Director of Regulatory Affairs

Enclosures



ELECTRIC TARIFF

Canceling 199th Revised Sheet No. 1.1
198th Revised Sheet No. 1.1

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates, rules and regulations affecting rates, service and information relating thereto in effect on and after the date indicated thereon.

Table with 2 columns: Title of Sheet, MPSC Sheet No. Includes entries for Title Page, Table of Contents, PRELIMINARY STATEMENT, PART A - Recovery Mechanism, PART B - Electric Cost and Deferred Accounting Provision, and PART C - State and Local Taxes and Fees.

RATE SCHEDULES

Table with 3 columns: Schedule No., Title of Sheet, MPSC Sheet No. Lists various rate schedules such as EBS-1, REDS-1, RSGTOUD-1, GSEDS-1, GSEDS-2, ISEDS-1, and ELDS-1.

(continued)

ELECTRIC TARIFF



	<u>147th</u>	Revised	Sheet No.	<u>1.2</u>
Canceling	<u>146th</u>	Revised	Sheet No.	<u>1.2</u>

TABLE OF CONTENTS

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>MPSC Sheet No.</u>
E-USBC-1	Electric Universal System Benefits Charge	Original 50.1 thru 50.2
ESS-1	Electricity Supply Service	127 th Revised 60.1; 24 th Revised 60.2; 1 st Revised 60.3 and 60.4
CTC-QF-1	Competitive Transition Charge for Qualifying Facilities	12 th Revised 61.1; Original 61.2
CESGTC-1	Competitive Electric Supply General Terms and Conditions	1 st Revised 63.1; 2 nd Revised 63.2 Original 63.3 and 63.4
ECCGP-1	Electric Customer Choice Guidelines and Procedures	2 nd Revised 64.1 thru 64.6
EESS-1	Electric Emergency Supply Service	1 st Revised 65.1 and 65.2
EGPS-1	Electric Green Power Service	1 st Revised 66.1 and 66.2
QFLT-1	Qualifying Facility/Long-Term Power Purchase	Original 70.1 thru 70.3 16 th Revised 70.4
LTQF-1	Long-Term Qualifying Power Purchase Facility	Original 73.1 thru 73.12
QF-1	Qualifying Facility Power Purchase	7 th Revised 74.1 6 th Revised 74.2 3 rd Revised 74.3 Original 74.4 1 st Revised 74.5 2 nd Revised 74.6
LTPP-1	Cogeneration/SPP – Long-Term Power Purchase	Original 75.1 thru 75.3
WI-1	Wind Integration	2 nd Revised 80.1 and 80.2
CR-1	Contingency Reserves	1 st Revised 85.1 and 85.2

(continued)

ELECTRIC TARIFF



Canceling $\frac{127^{\text{th}}}{126^{\text{th}}}$ Revised
Revised

Sheet No. 60.1
Sheet No. 60.1

Schedule No. ESS-1

ELECTRICITY SUPPLY SERVICE

APPLICABILITY: Applicable to all electricity supply customers of the Utility. Electric supply provided under this tariff is for the Customer's end use; and is prohibited from being remarketed by the Customer.

PURPOSE: The purpose of this Rate Schedule is to recover the market costs of electric supply costs associated with Electricity Supply requirements, and to recover current MPSC-based retail transmission costs.

RATES:

Supply Monthly Billing: Each month, the Electricity Supply Service Supply Charge and the Deferred Electricity Supply Charge shall be the product of the actual monthly consumption, in kWh, delivered at the Customer's meter, times the applicable Supply rate set forth as follows:

<u>Rate Classes:</u>	<u>Supply</u> <u>Monthly \$/kWh</u>		<u>Supply</u> <u>Deferred Charge</u> <u>Monthly \$/kWh</u>	
Residential	\$ 0.062451	(I)	\$ 0.005369	(I)
Residential - Employee	\$ 0.037471	(I)	\$ 0.003221	(I)
General Service – 1 Secondary Non-Demand	\$ 0.058918	(I)	\$ 0.005369	(I)
General Service – 1 Secondary Demand	\$ 0.062452	(I)	\$ 0.005369	(I)
General Service – 1 Primary Non-Demand	\$ 0.060740	(I)	\$ 0.005222	(I)
General Service – 1 Primary Demand	\$ 0.057609	(I)	\$ 0.005222	(I)
General Service – 2 Substation	\$ 0.060218	(I)	\$ 0.005177	(I)
General Service – 2 Transmission	\$ 0.059856	(I)	\$ 0.005146	(I)
Irrigation	\$ 0.058918	(I)	\$ 0.005369	(I)
Lighting	\$ 0.058918	(I)	\$ 0.005369	(I)

PLUS:

(continued)



ELECTRIC TARIFF

Canceling 12th Revised Sheet No. 61.1
11th Revised Sheet No. 61.1

Schedule No. CTC-QF-1

COMPETITIVE TRANSITION CHARGE FOR QUALIFYING FACILITIES

APPLICABILITY: Applicable to all retail electric service provided by the Utility beginning July 1, 2002 and under the jurisdiction of the Montana Public Service Commission. Not applicable for large new loads of 1,000 kW or greater, as defined below under Load Exclusion.

PURPOSE: The purpose of this Rate Schedule is to recover the out-of-market costs associated with Qualifying Facilities Power Contracts, pursuant to electric restructuring.

Table with 4 columns: Rate Classes, All kWh @, Monthly \$/kWh, and (R). Rows include Residential, Residential - Employee, General Service Secondary, General Service Primary, General Service Substation, General Service Transmission, Irrigation, and Lighting.

The above rates shall be modified annually beginning July 1, 2003 through July 1, 2031 to reflect the respective annual Qualifying Facility charges authorized by Commission Order No. 5986w.

APPLICATION OF RATES:

Monthly Billing: Each month, the CTC-QF Charge shall be the product of the actual monthly consumption, in kWh, delivered at Customer's meter, times the applicable rate set forth above.

TERM OF RATE SCHEDULE:

This Rate Schedule shall be applicable from the effective date of the final Order in Docket No. D97.7.90, until such time that the CTC-QF Charge is no longer needed.

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